

# Emergency Planning Community Right to Know Act (EPCRA) Program Update: Tier II Facility Reporting Fee Proposal

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# What is EPCRA?

- Federal law passed in 1986, EPCRA establishes requirements for federal, state, local governments, and industry regarding emergency planning and “Community Right to Know” reporting on hazardous and toxic chemicals
- Requires facilities with certain thresholds of hazardous substances to:
  - ◆ Have emergency response plans
  - ◆ Immediately notify their Local Emergency Planning Committee if there is a release of a hazardous substance
  - ◆ Report the names and amounts of chemicals on site



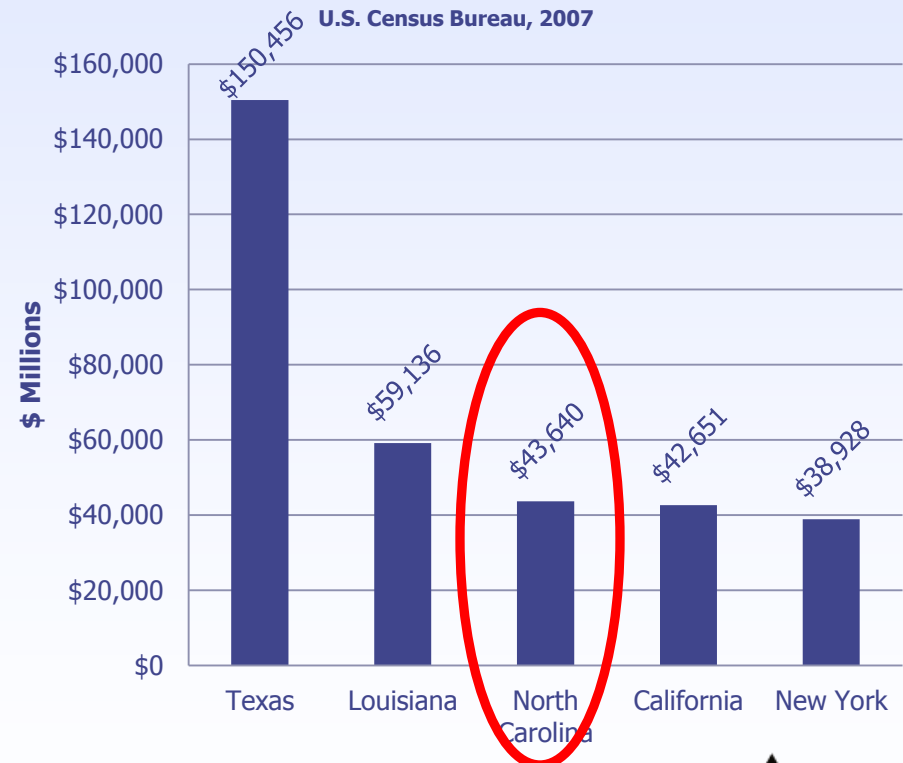
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# Hazardous Substance Risk

- North Carolina
  - ◆ 3<sup>rd</sup> largest producer of chemical products in the Nation
  - ◆ \$43.6 billion chemical industry
  - ◆ 7,283 Tier II Facilities as of 2013
  - ◆ 66 ammonium nitrate plants (similar to West, TX)

## Top 5 Chemical Producing States



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# Hazardous Substance Risk

- North Carolina
  - ◆ March 2013 U.S. DOT incident data shows that hazardous materials events occur more frequently in North Carolina than all other hazard event types combined (average of 402 per year)
- 2014 West Virginia Elk River Chemical Spill
- 2013 West, TX Fertilizer Plant Explosion
- 2006 Apex EQ Chemical Fire



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# What is a Tier II Facility Report?

- Tier II Facilities must submit reports that identify:
  - ◆ Chemical name(s), maximum amount of chemical(s) on site, manner of storage, location of chemical(s) on-site
- This information:
  - ◆ Helps first responders who may respond to an incident at that facility
  - ◆ Helps public to understand risks in their community



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# Tier II Facility Reporting Fee

- North Carolina Emergency Management proposes a fee structure for the submission of Tier II Facility Reports
  - ◆ Owner/operators of family farms/enterprises and state/local government exempted
- Funds generated by this reporting fee will be used to support the State EPCRA Program and Hazardous Material Regional Response Teams



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# Why Propose a Fee?

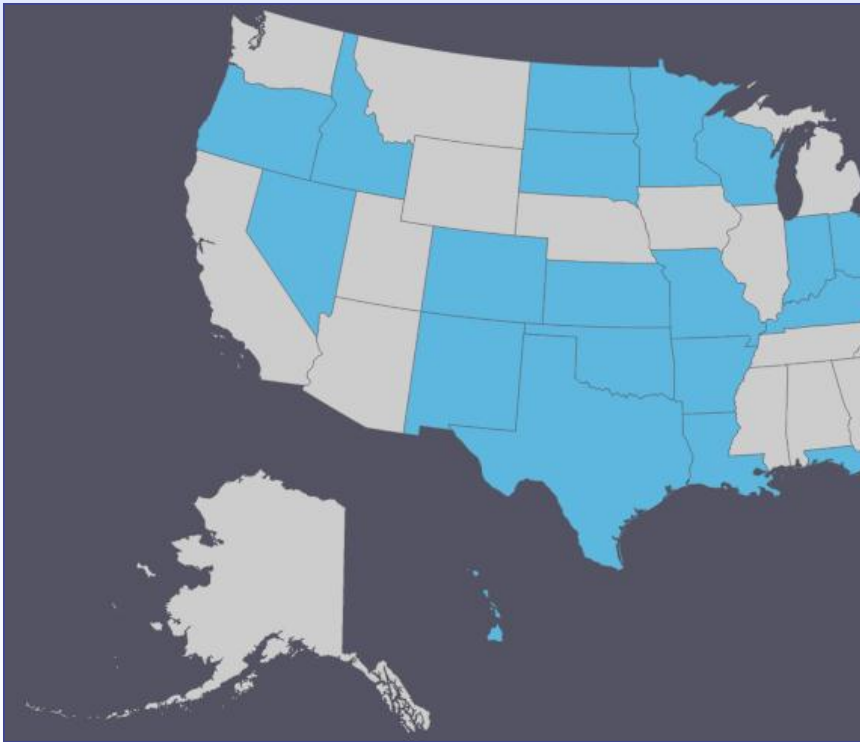
- The current and future reporting program is not free
- Federal funding has continued to shrink
- The chemical risk profile has increased
- The cost of reporting will be borne by only those who have Tier II chemical inventory
- The burden of the response will be borne by those who created the risk

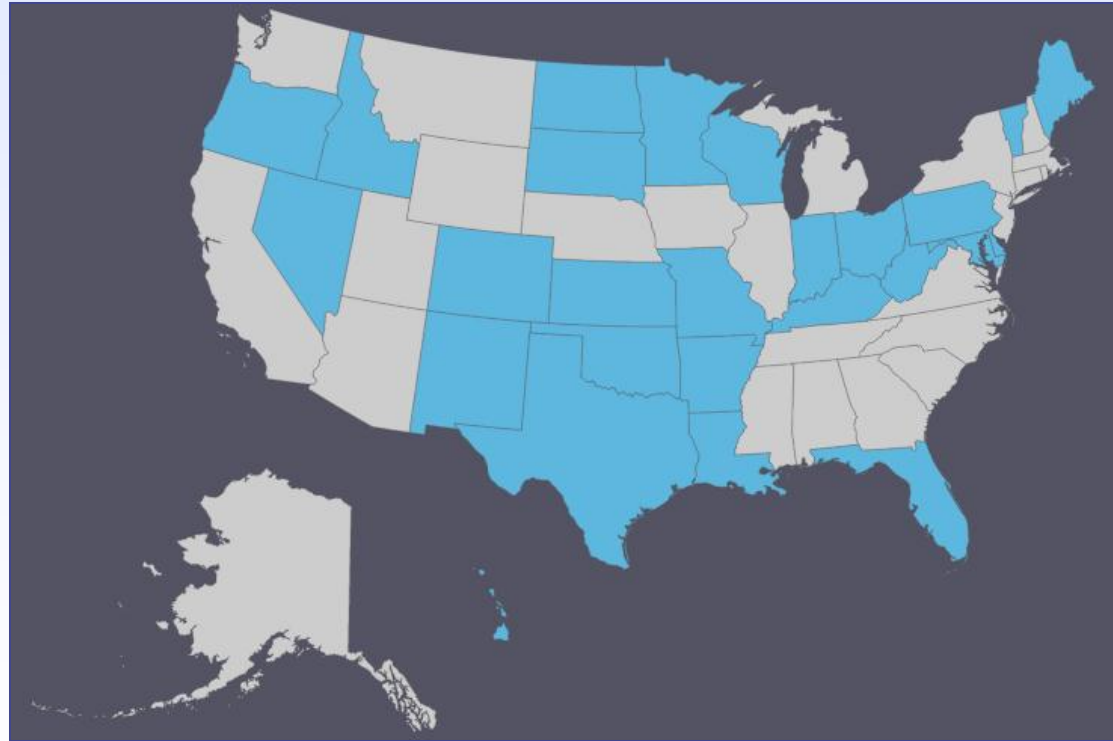


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# Which States Fee Tier II Facility Reports?

- 26 States implement a Tier II Facility Reporting Fee
    - ◆ Texas, Louisiana, North Carolina, California, and New York are the top 5 chemical industry states
    - ◆ California delegates feeing to it's LEPCs
    - ◆ New York (state) does not charge a fee but New York City does
- 
- A map of the United States where 26 states are highlighted in blue, representing those that implement a Tier II Facility Reporting Fee. The highlighted states include Washington, Oregon, California, Nevada, Arizona, Idaho, Montana, Wyoming, Colorado, Utah, New Mexico, Oklahoma, Texas, Louisiana, Arkansas, Missouri, Illinois, Indiana, Michigan, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, South Dakota, North Dakota, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, West Virginia, Maryland, Delaware, Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, Alaska, and Hawaii.



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# How Do Other States Compare?

	TX	LA	CA	NY	NYC	DE	FL	IN	AR	KS	CO
<b>North Carolina's Potential Funding if Using Fee Structure</b>	\$412,200	\$481,955	Unknown b/c delegated to LEPCs	\$0	\$15,102,778	\$1,397,000	Unknown b/c based on # of employees	\$1,426,800	\$214,420	\$1,440,775	\$358,440
<b>One Time Filing Fee</b>							\$50				
<b>Fee Per Range of Substances at Facility</b>	\$100-\$500	\$65-\$255									
<b>Fee Per Chemical</b>						\$40			\$25-\$200		\$10
<b>Fee Based on facility and # of Employees in the State</b>							YES				
<b>Fee Per Facility and Calculated Equivalent Weight of Substances</b>					\$200-\$1,200			\$50-\$200		\$25-\$300	
<b>Fee Cap</b>		\$2,000				\$5,000			\$200/Facility		\$1,000/Facility
<b>Private Sector Fees</b>	\$100-\$500						\$25- \$2,000				
<b>Public Sector Fees</b>	\$50-\$100						\$25-\$2,000		Exempt		
<b>Agriculture</b>							\$25- \$1,000		Exempt		Exempt
<b>Other</b>							\$25- \$500 Petro				
<b>Non-Manufacturing Fees</b>	\$50-\$100										
<b>Tier II Facility Report Late Fee</b>							\$2,000	10%		\$25,000	
<b>Tier II Facility Report Late Late Fee</b>							\$4,000				

# Potential Tier II Facility Report Fee Options



	Option 1	Option 2	Option 3
Tier II Report – Level 1 Facility	\$50	\$0	\$50
Tier II Report – Level 2 Facility	\$100	\$0	\$100
Tier II Report – Level 3 Facility	\$200	\$0	\$200
Tier II Report – Level 4 Facility	\$300	\$0	\$300
Tier II Report – Level 5 Facility	\$500	\$0	\$500
Each Hazardous Chemical Reported	\$0	\$40	\$40
<u>Each Extremely Hazardous Chemical Reported</u>	<u>\$0</u>	<u>\$80</u>	<u>\$80</u>
<b>Potential Funding</b>	<b>\$664,450</b>	<b>\$1,379,000</b>	<b>\$2,043,450</b>

# Tier II Facility Reporting Fee Option 1 In-Depth

- Draft Fee Structure (by facility)

Facility Type	# Facilities	Fee	Projected Funding
Tier II Report – Level 1 Facility	3,685	\$50	\$184,250
Tier II Report – Level 2 Facility	3,269	\$100	\$326,900
Tier II Report – Level 3 Facility	18	\$200	\$3,600
Tier II Report – Level 4 Facility	29	\$300	\$8,700
<u>Tier II Report – Level 5 Facility</u>	<u>282</u>	<u>\$500</u>	<u>\$141,000</u>
<b>Totals</b>	<b>7,283</b>		<b>\$664,450</b>

# How Would Funds be Used?

Program	Funding
Tier II Manager Software	\$100,000
Program Staff	\$350,000
Chemical Hazard Mitigation	\$139,450
<u>Regional Response Teams</u>	<u>\$75,000</u>
<b>TOTAL PROJECTED FUNDING</b>	<b>\$664,450</b>



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# Program Funding Details

## ■ Tier II Manager (\$100,000)

- ◆ Web-based software that would serve as repository for Tier II Facilities to submit their reports

- ◆ Recommended by EPCRA Advisory Committee as best choice for continuity of electronic Tier II Reporting in North Carolina, based on:

- Cost, Ease of Use for Facilities, Ease of Conversion from E-Plan, Planning Capacity, Capabilities for Responders, Data Security, Personnel Resource Cost

### Instant access to the Facility Hazmat data ENABLES

DECISION MAKING when the Chemical Emergency is reported



- **Initial actions** - Fight the fire; or Evacuate First
- **Fire Response** - Flammability, Stability, Response Approach
- **Other resources needed** – Specialties and Equipment

### Instant access to the Facility Hazmat data EFFECTS

- **First Responder Lives**
- **Citizen Lives**
- **Environmental Health**

These are precious and cannot be replaced.

# Program Funding Details

- Program Staff (\$350,000)
  - ◆ At least 10 NCEM positions are involved in the support of the State EPCRA Program
    - One dedicated position
    - Nine other positions support EPCRA along with many other duties
  - ◆ Most of these positions are funded through federal grants
  - ◆ Funding would help to offset the trending decrease in federal grant funding for these positions



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# Program Funding Details

- Chemical Hazard Mitigation (\$139,450)
  - ◆ Funding would provide support to hazardous material studies that would allow state and local agencies to be proactive in planning actions that could prevent or mitigate hazardous materials incidents at Tier II Facilities
  - ◆ Potential for funding to support Local Emergency Planning Committees (LEPC) around the state



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# Program Funding Details

- Hazardous Material Regional Response Teams (\$75,000)
  - ◆ Created in 1993, the seven HM-RRTs provide statewide coverage for hazardous response
  - ◆ Funding would be used to support hazardous material response training, equipment, and exercises to ensure better preparedness for an event involving a Tier II facility





# In Summary

- North Carolina's hazardous materials risk has increased over the past 20 years
- Funding for hazardous materials response, planning and mitigation is decreasing
- A fee structure for the submission of Tier II Facility Reports could provide between \$600,000 and \$2,000,000 to support the State EPCRA Program
  - ◆ Low end of this range would help to maintain current capabilities
  - ◆ Mid to higher end of this range would help to increase State EPCRA Program capabilities



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# Questions?

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